

**CHARTER TOWNSHIP OF OXFORD  
Oakland County, Michigan**

**AUDITED FINANCIAL REPORT**

**For the Fiscal Year Ended  
December 31, 2007**

CHARTER TOWNSHIP OF OXFORD  
For the Year Ended December 31, 2007

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## FINANCIAL SECTION

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## Independent Auditor's Report

May 19, 2008

To the Board of Trustees  
Charter Township of Oxford  
Oxford, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Oxford, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Oxford's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Oxford as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Trustees  
Charter Township of Oxford, Michigan  
May 19, 2008

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charter Township of Oxford's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully,

A handwritten signature in cursive script that reads "Post Smythe Lutz and Ziel of Plymouth".

Post, Smythe, Lutz and Ziel of Plymouth LLP  
Certified Public Accountants

## Management's Discussion and Analysis

As management of Charter Township of Oxford, we offer readers of Charter Township of Oxford's financial statements this narrative overview and analysis of the financial activities of Charter Township of Oxford for the fiscal year ended December 31, 2007.

### Financial Highlights

- The assets of Charter Township of Oxford exceeded its liabilities at the close of the most recent fiscal year by \$26,060,644 (*net assets*). Of this amount, \$14,267,588 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Charter Township of Oxford's governmental funds reported combined ending fund balances of \$5,523,828, an increase of \$1,421,755 in comparison with the prior year. Approximately 96 percent of this amount, \$5,310,354 is *available for spending* at the government's discretion (*unreserved fund balance*).
- Charter Township of Oxford's total long-term debt decreased by \$997,678 during the current fiscal year, which is the net amount of annual debt service payments.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Charter Township of Oxford's basic financial statements. Charter Township of Oxford's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Charter Township of Oxford's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Charter Township of Oxford's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Charter Township of Oxford is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Charter Township of Oxford that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Charter Township of Oxford include general government, public safety, planning and zoning, public works, and recreation and culture. The business-type activities of Charter Township of Oxford include the water and sewer system. The government-wide financial statements can be found on pages 10-12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Charter Township of Oxford, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Charter Township of Oxford can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.



Charter Township of Oxford maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Police Contracting Fund, Parks and Recreation Fund, Advanced Life Support Fund, Fire & EMS Fund, and Library Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison statement has been provided for the General, Police Contracting, Parks and Recreation, Advanced Life Support, Fire & EMS and Library Funds to demonstrate compliance with the annual appropriated budget.

**Proprietary funds.** Charter Township of Oxford maintains two proprietary funds which are classified as an enterprise fund type. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Charter Township of Oxford used enterprise funds to account for its water and sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, both of which are considered to be major funds of Charter Township of Oxford.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Charter Township of Oxford's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 49-56 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Oxford, assets exceeded liabilities by \$26,060,644 at the close of the most recent fiscal year.

A significant portion of Charter Township of Oxford's net assets (44 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Charter Township of Oxford used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Charter Township of Oxford's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Charter Township of Oxford's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 6,161,111	\$ 4,937,356	\$ 9,270,264	\$ 11,642,693	\$ 15,431,375	\$ 16,580,049
Capital Assets	12,694,853	13,248,522	17,326,597	14,860,097	30,021,450	28,108,619
Total Assets	18,855,964	18,185,878	26,596,861	26,502,790	45,452,825	44,688,668
Long-term Liabilities						
Outstanding	8,016,210	8,763,888	10,450,000	10,700,000	18,466,210	19,463,888
Other Liabilities	637,283	835,283	288,688	461,114	925,971	1,296,397
Total Liabilities	8,653,493	9,599,171	10,738,688	11,161,114	19,392,181	20,760,285
Net Assets:						
Invested in Capital Assets, net of related debt	4,702,985	4,484,634	6,876,597	7,853,595	11,579,582	12,338,229
Restricted	213,474	182,599	-	-	213,474	182,599
Unrestricted	5,286,012	3,919,474	8,981,576	7,488,081	14,267,588	11,407,555
Total Net Assets	\$ 10,202,471	\$ 8,586,707	\$ 15,858,173	\$ 15,341,676	\$ 26,060,644	\$ 23,928,383

An additional portion of Charter Township of Oxford's net assets (1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$14,267,588) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Charter Township of Oxford is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The governmental net assets increased by \$1,615,764 during the current fiscal year, as presented:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	\$ 1,195,359	\$ 1,471,005	\$ 1,569,286	\$ 1,473,350	\$ 2,764,645	\$ 2,944,355
Operating Grants & Contributions	109,904	71,109	-	-	109,904	71,109
Capital Grants & Contributions	15,203	86,466	619,092	968,077	634,295	1,054,543
General Revenues:						
Property Taxes	7,929,293	7,364,187	-	-	7,929,293	7,364,187
State Shared Revenues	933,105	934,400	-	-	933,105	934,400
Unrestricted Investment Earnings	183,524	385,059	391,071	354,075	574,595	739,134
Other	456,418	173,863	-	-	456,418	173,863
Total Revenues	<u>10,822,806</u>	<u>10,486,089</u>	<u>2,579,449</u>	<u>2,795,502</u>	<u>13,402,255</u>	<u>13,281,591</u>
Program Expenses						
General Government	1,608,783	1,990,578	-	-	1,608,783	1,990,578
Public Safety	4,386,269	3,915,867	-	-	4,386,269	3,915,867
Planning and Zoning	141,052	156,113	-	-	141,052	156,113
Public Works	66,521	60,519	-	-	66,521	60,519
Recreation and Cultural	2,564,711	2,388,516	-	-	2,564,711	2,388,516
Other	40,169	31,171	-	-	40,169	31,171
Interest on Long-Term Debt	399,537	434,425	-	-	399,537	434,425
Water and Sewer	-	-	2,062,952	2,057,325	2,062,952	2,057,325
Total Expenses	<u>9,207,042</u>	<u>8,977,189</u>	<u>2,062,952</u>	<u>2,057,325</u>	<u>11,269,994</u>	<u>11,034,514</u>
Change in Net Assets	<u>\$ 1,615,764</u>	<u>\$ 1,508,900</u>	<u>\$ 516,497</u>	<u>\$ 738,177</u>	<u>\$ 2,132,261</u>	<u>\$ 2,247,077</u>

**Business-type activities.** Business-type activities increased Charter Township of Oxford's net assets by \$516,497 which is a result of \$619,092 of capital contributions in the current year.

### Financial Analysis of the Government's Funds

**Governmental funds.** The focus of Charter Township of Oxford's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Charter Township of Oxford's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Charter Township of Oxford's governmental funds reported combined ending fund balances of \$5,523,828, an increase of \$1,421,755 in comparison with the prior year. The *unreserved fund balance*, which is the amount available for spending at the government's discretion, represents 96% of the total fund balance. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to uphold contracts or bond agreements (\$213,474).

The general fund is the chief operating fund of Charter Township of Oxford. At the end of the current fiscal year, unreserved and total fund balance was \$1,597,797. As a measure of the general funds' liquidity, it may be useful to compare fund balances to total fund expenditures. Fund balance represents 95 percent of total general fund expenditures.

The fund balance of Charter Township of Oxford's general fund increased by \$317,686 during the current fiscal year. Revenues exceeded expenditures by \$447,686. Transfers to Special Revenue Funds of \$100,000 were made to augment operating activities and \$30,000 was transferred to the Building and Site Fund to cover final contractor invoices.

In May 2005, the voters approved 2 new millages which were for fire and emergency medical services operations, and for advanced life support operations. As a result of the new millages, the Charter Township of Oxford and the Village of Oxford are in the process of dissolving the Oxford Public Fire and EMS Commission, as the Township now provides these services to all residents of the Township and Village. The Township reflects the new millages in 2 separate special revenue funds in the financial statements, the Fire & EMS Fund and the Advanced Life Support Fund.

**Proprietary funds.** The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Funds totaled \$8,981,576 at the end of the year. Other factors concerning the finances of this fund have already been addressed in the discussion of Charter Township of Oxford's business-type activities.

### **General Fund Budgetary Highlights**

The differences between the beginning and final budgets represent a little over 8% change in the original spending plan; budgets were amended to reflect additional transfers to special revenue funds as well as small departmental variances.

### **Capital Asset and Debt Administration**

**Capital assets.** Charter Township of Oxford's investment in capital assets for its governmental and business type activities as of December 31, 2007, amounts to \$30,021,450 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and the water and sewer systems. The investment in fixed assets increased by \$1,912,831 due primarily to the completion of the current water project, net of depreciation expense.

**Long-term debt.** At the end of the current fiscal year, Charter Township of Oxford had total bonded debt outstanding of \$18,325,000 and \$116,868 of installment loans payable. All of Charter Township of Oxford's debt represents general obligation debt backed by the full faith and credit of Charter Township of Oxford, subject to constitutional limit.

Additional information on Charter Township of Oxford's long-term debt can be found in note IV. D. on page 36 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget may bring further reductions in state shared revenues. State shared revenues are expected to remain level in the 2008 fiscal year. Property tax revenue will show modest gains from new development, somewhat offset by required tax rate roll backs. Tax levies for fire, emergency medical services, and advanced life support operations were approved by the voters in May of 2006, which will continue to have a positive impact on the 2008 budget.

These factors were considered in preparing Charter Township of Oxford's budget for the 2008 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of Charter Township of Oxford's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Township Supervisor, 300 Dunlap Road, Oxford, MI 48371.

## BASIC FINANCIAL STATEMENTS

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Net Assets**  
**December 31, 2007**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 5,771,593	\$ 8,814,847	\$ 14,586,440
Receivables (net of allowance for uncollectibles):			
Accounts	132,006	381,725	513,731
Due from Other Funds	51,018	40	51,058
Due from Other Units	159,790	73,652	233,442
Prepaid Expenditures	46,704	-	46,704
Capital Assets (net of Accumulated Depreciation)	12,694,853	17,326,597	30,021,450
Total Assets	<u>18,855,964</u>	<u>26,596,861</u>	<u>45,452,825</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	348,828	273,459	622,287
Accrued Liabilities	95,186	-	95,186
Due to Other Funds	44,640	15,229	59,869
Deferred Revenue	148,629	-	148,629
Noncurrent Liabilities:			
Due within one year	807,223	260,000	1,067,223
Due in more than one year	7,208,987	10,190,000	17,398,987
Total Liabilities	<u>8,653,493</u>	<u>10,738,688</u>	<u>19,392,181</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, net of related debt	4,702,985	6,876,597	11,579,582
Restricted for:			
Capital Projects	179,103	-	179,103
Debt Service	34,371	-	34,371
Unrestricted	5,286,012	8,981,576	14,267,588
Total Net Assets	<u>\$ 10,202,471</u>	<u>\$ 15,858,173</u>	<u>\$ 26,060,644</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Activities**  
**For the Year Ended December 31, 2007**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
General Government	\$ 1,608,783	\$ 95,056	\$ 55,334	\$ -
Public Safety	4,386,269	478,758	5,860	15,203
Planning and Zoning	141,052	24,400	-	-
Public Works	66,521	-	-	-
Health and Welfare	40,169	-	24,562	-
Recreation and Cultural	2,564,711	597,145	24,148	-
Interest on Long-Term Debt	399,537	-	-	-
Total Governmental Activities	<u>9,207,042</u>	<u>1,195,359</u>	<u>109,904</u>	<u>15,203</u>
Business-type Activities:				
Water	570,460	364,327	-	427,092
Sewer	1,492,492	1,204,959	-	192,000
Total Business-type Activities	<u>2,062,952</u>	<u>1,569,286</u>	<u>-</u>	<u>619,092</u>
Total	<u>\$ 11,269,994</u>	<u>\$ 2,764,645</u>	<u>\$ 109,904</u>	<u>\$ 634,295</u>

General Revenues:  
Property Taxes  
State Shared Revenue  
Franchise Fees  
Unrestricted Investment Earnings  
Total General Revenues

Change in Net Assets  
Net Assets - Beginning

Net Assets - Ending



Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,458,393)	\$ -	\$ (1,458,393)
(3,886,448)	-	(3,886,448)
(116,652)	-	(116,652)
(66,521)	-	(66,521)
(15,607)	-	(15,607)
(1,943,418)	-	(1,943,418)
(399,537)	-	(399,537)
<u>(7,886,576)</u>	<u>-</u>	<u>(7,886,576)</u>
-	220,959	220,959
-	(95,533)	(95,533)
-	<u>125,426</u>	<u>125,426</u>
<u>(7,886,576)</u>	<u>125,426</u>	<u>(7,761,150)</u>
7,929,293	-	7,929,293
933,105	-	933,105
183,524	-	183,524
456,418	391,071	847,489
<u>9,502,340</u>	<u>391,071</u>	<u>9,893,411</u>
1,615,764	516,497	2,132,261
<u>8,586,707</u>	<u>15,341,676</u>	<u>23,928,383</u>
\$ <u><u>10,202,471</u></u>	\$ <u><u>15,858,173</u></u>	\$ <u><u>26,060,644</u></u>

**CHARTER TOWNSHIP OF OXFORD**

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2007**

	<u>General</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Advanced Life Support</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 1,425,487	\$ 688,520	\$ 358,518	\$ 795,598
Receivables (net of allowance for uncollectibles):				
Accounts	18,119	8,426	-	-
Due from Other Funds	49,998	-	-	-
Due from Other Units	159,790	-	-	-
Prepaid Expenditures	<u>15,270</u>	<u>2,149</u>	<u>11,232</u>	<u>7,020</u>
Total Assets	<u>\$ 1,668,664</u>	<u>\$ 699,095</u>	<u>\$ 369,750</u>	<u>\$ 802,618</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 53,144	\$ 177,057	\$ 11,354	\$ 36,043
Accrued and Other Liabilities	7,892	-	-	-
Due to Other Funds	9,831	-	-	-
Deferred Revenue	-	-	55,558	-
Total Liabilities	<u>70,867</u>	<u>177,057</u>	<u>66,912</u>	<u>36,043</u>
Fund Balances:				
Reserved for:				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unreserved for:				
General Fund	1,597,797	-	-	-
Special Revenue Funds	-	522,038	302,838	766,575
Total Fund Balances	<u>1,597,797</u>	<u>522,038</u>	<u>302,838</u>	<u>766,575</u>
Total Liabilities and Fund Balances	<u>\$ 1,668,664</u>	<u>\$ 699,095</u>	<u>\$ 369,750</u>	<u>\$ 802,618</u>

Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital Assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and therefore are not reported in the funds.

Net Assets of Governmental Activities

<u>Fire &amp; EMS</u>	<u>Library</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 465,207	\$ 1,102,907	\$ 935,356	\$ 5,771,593
-	-	105,461	132,006
-	-	1,020	51,018
-	-	-	159,790
<u>3,457</u>	<u>-</u>	<u>7,576</u>	<u>46,704</u>
\$ <u>468,664</u>	\$ <u>1,102,907</u>	\$ <u>1,049,413</u>	\$ <u>6,161,111</u>

\$ 54,733	\$ -	\$ 16,497	\$ 348,828
45,053	15,240	27,001	95,186
-	-	34,809	44,640
-	93,071	-	148,629
<u>99,786</u>	<u>108,311</u>	<u>78,307</u>	<u>637,283</u>

-	-	179,103	179,103
-	-	34,371	34,371
-	-	-	1,597,797
<u>368,878</u>	<u>994,596</u>	<u>757,632</u>	<u>3,712,557</u>
<u>368,878</u>	<u>994,596</u>	<u>971,106</u>	<u>5,523,828</u>
\$ <u>468,664</u>	\$ <u>1,102,907</u>	\$ <u>1,049,413</u>	

12,694,853

(8,016,210)

\$ 10,202,471

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2007**

	<u>General</u>	<u>Police Contracting</u>	<u>Parks and Recreation</u>	<u>Advanced Life Support</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 801,572	\$ 2,065,099	\$ 715,483	\$ 838,548
Licenses and Permits	11,832	-	-	-
Intergovernmental:				
Federal, State and Local	913,592	19,902	2,381	-
Charges for Services	74,480	5,376	537,602	278,034
Fines and Forfeitures	-	48,707	-	-
Franchise Fees	-	-	-	-
Interest	179,088	61,233	26,782	42,819
Other	23,664	-	19,121	2,314
Total Revenues	<u>2,004,228</u>	<u>2,200,317</u>	<u>1,301,369</u>	<u>1,161,715</u>
<b><u>Expenditures</u></b>				
Current:				
General Government	1,052,904	-	-	-
Public Safety	-	1,932,229	-	898,181
Planning and Zoning	138,230	-	-	-
Public Works	32,059	-	-	-
Health and Welfare	40,169	-	-	-
Recreation and Cultural	-	-	1,168,927	-
Other	293,180	-	-	-
Debt Service:				
Principal	-	-	54,926	-
Interest and Other Charges	-	-	6,832	-
Capital Outlay	-	-	-	27,188
Total Expenditures	<u>1,556,542</u>	<u>1,932,229</u>	<u>1,230,685</u>	<u>925,369</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>447,686</u>	<u>268,088</u>	<u>70,684</u>	<u>236,346</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	-	-	-	-
Transfers Out	(130,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(130,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	317,686	268,088	70,684	236,346
Fund Balances - Beginning	<u>1,280,111</u>	<u>253,950</u>	<u>232,154</u>	<u>530,229</u>
Fund Balances - Ending	<u>\$ 1,597,797</u>	<u>\$ 522,038</u>	<u>\$ 302,838</u>	<u>\$ 766,575</u>

Fire & EMS	Library	Other Governmental Funds	Total Governmental Funds
\$ 1,257,802	\$ 1,171,738	\$ 1,079,051	\$ 7,929,293
-	-	100,274	112,106
3,215	40,714	19,004	998,808
1,679	-	9,600	906,771
-	22,955	-	71,662
-	-	183,524	183,524
32,238	65,213	49,045	456,418
12,699	17,467	88,959	164,224
<u>1,307,633</u>	<u>1,318,087</u>	<u>1,529,457</u>	<u>10,822,806</u>
-	-	2,235	1,055,139
966,866	-	272,728	4,070,004
-	-	-	138,230
-	-	29,649	61,708
-	-	-	40,169
-	1,169,650	-	2,338,577
-	-	178,334	471,514
-	-	700,000	754,926
-	-	392,705	399,537
27,815	-	16,244	71,247
<u>994,681</u>	<u>1,169,650</u>	<u>1,591,895</u>	<u>9,401,051</u>
<u>312,952</u>	<u>148,437</u>	<u>(62,438)</u>	<u>1,421,755</u>
-	-	130,000	130,000
-	-	-	(130,000)
-	-	130,000	-
312,952	148,437	67,562	1,421,755
<u>55,926</u>	<u>846,159</u>	<u>903,544</u>	<u>4,102,073</u>
<u>\$ 368,878</u>	<u>\$ 994,596</u>	<u>\$ 971,106</u>	<u>\$ 5,523,828</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2007**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,421,755
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(553,669)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>747,678</u>
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Change in net assets in governmental activities	\$ <u><u>1,615,764</u></u>
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**CHARTER TOWNSHIP OF OXFORD**

**Balance Sheet**  
**Proprietary Funds**  
**December 31, 2007**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 6,734,166	\$ 2,080,681	\$ 8,814,847
Accounts Receivable	381,725	-	381,725
Due from Other Funds	-	40	40
Due from Other Units	73,652	-	73,652
Total Current Assets	<u>7,189,543</u>	<u>2,080,721</u>	<u>9,270,264</u>
Fixed Assets:			
Land	-	428,533	428,533
Water Mains	-	16,004,794	16,004,794
Sewer Mains	6,261,536	-	6,261,536
Accumulated Depreciation	<u>(4,419,477)</u>	<u>(948,789)</u>	<u>(5,368,266)</u>
Net Fixed Assets	<u>1,842,059</u>	<u>15,484,538</u>	<u>17,326,597</u>
Total Assets	<u>\$ 9,031,602</u>	<u>\$ 17,565,259</u>	<u>\$ 26,596,861</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Current Liabilities:			
Accounts Payable	\$ 273,302	\$ 157	\$ 273,459
Due to Other Funds	10,000	5,229	15,229
Bonds Payable	-	260,000	260,000
Total Current Liabilities	<u>283,302</u>	<u>265,386</u>	<u>548,688</u>
Noncurrent Liabilities:			
Bonds Payable	<u>-</u>	<u>10,190,000</u>	<u>10,190,000</u>
Fund Equity:			
Invested in Capital Assets, net of related debt	1,842,059	5,034,538	6,876,597
Unrestricted	<u>6,906,241</u>	<u>2,075,335</u>	<u>8,981,576</u>
Total Fund Equity	<u>8,748,300</u>	<u>7,109,873</u>	<u>15,858,173</u>
Total Liabilities and Fund Equity	<u>\$ 9,031,602</u>	<u>\$ 17,565,259</u>	<u>\$ 26,596,861</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Revenues, Expenses and Changes in Fund Equity**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
Operating Revenues:			
Charges for Services	\$ 1,204,959	\$ 1,970	\$ 1,206,929
Operating Expenses:			
Operations & Maintenance	1,335,954	-	1,335,954
Depreciation Expense	156,538	123,390	279,928
Total Operating Expenses	1,492,492	123,390	1,615,882
Operating Income (Loss)	(287,533)	(121,420)	(408,953)
Nonoperating Revenues (Expenses):			
Debt Surcharge	-	362,357	362,357
Interest Income	322,764	68,307	391,071
Interest Expense	-	(447,070)	(447,070)
Total Nonoperating Revenues (Expenses)	322,764	(16,406)	306,358
Income (Loss) Before Contributions	35,231	(137,826)	(102,595)
Capital Contributions	192,000	427,092	619,092
Net Income	227,231	289,266	516,497
Fund Equity - January 1	8,521,069	6,820,607	15,341,676
Fund Equity - December 31	\$ 8,748,300	\$ 7,109,873	\$ 15,858,173



**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 1,163,379	\$ 1,930	\$ 1,165,309
Payments to suppliers	(1,343,196)	98,326	(1,244,870)
Net Cash Provided (Used) by Operating Activities	(179,817)	100,256	(79,561)
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Construction of Capital Assets	-	(2,746,428)	(2,746,428)
Capital Contributions	192,000	427,092	619,092
Debt Surcharge	-	362,357	362,357
Principal Paid on Debt	-	(250,000)	(250,000)
Interest Paid on Debt	-	(447,070)	(447,070)
Net Cash Provided (Used) by Capital and Related Financing Activities	192,000	(2,654,049)	(2,462,049)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest Earned	322,764	68,307	391,071
Net Increase (Decrease) in Cash and Cash Equivalents	334,947	(2,485,486)	(2,150,539)
Cash and Cash Equivalents, Beginning	6,399,219	4,566,167	10,965,386
Cash and Cash Equivalents, Ending	\$ 6,734,166	\$ 2,080,681	\$ 8,814,847
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	\$ (287,533)	\$ (121,420)	\$ (408,953)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	156,538	123,390	279,928
(Increase) Decrease in Accounts Receivable	(39,873)	-	(39,873)
(Increase) Decrease in Due from Other Funds	-	(40)	(40)
(Increase) Decrease in Due from Other Units	(11,707)	273,510	261,803
Increase (Decrease) in Accounts Payable	(7,242)	(175,184)	(182,426)
Increase (Decrease) in Due to Other Funds	10,000	-	10,000
Net Cash Provided (Used) by Operating Activities:	\$ (179,817)	\$ 100,256	\$ (79,561)

**CHARTER TOWNSHIP OF OXFORD**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2007**

	Cemetery Trust Fund	Agency Funds	
		Current Tax Collection	Trust & Agency
<b><u>ASSETS</u></b>			
Cash	\$ 43,241	\$ 5,010,127	\$ 202,045
Due from Other Funds	-	-	8,811
Total Assets	43,241	5,010,127	210,856
<b><u>LIABILITIES</u></b>			
Due to Other	-	5,010,127	210,856
<b><u>NET ASSETS</u></b>			
Reserved for Cemetery	\$ 43,241	\$ -	\$ -

CHARTER TOWNSHIP OF OXFORD  
Statement of Changes in Fiduciary Net Assets  
Cemetery Trust Fund  
For the Year Ended December 31, 2007

Additions:	
Interest Income	\$ 1,934
Deductions:	
Maintenance Expense	<u>(1,934)</u>
Net Increase	-
Net Assets - Beginning	<u>43,241</u>
Net Assets - Ending	\$ <u><u>43,241</u></u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Oxford Township became a Charter Township by resolution of the Township Board. The Township is operated under a Board of Trustees form of government and provides the following services as authorized by law: public safety (police and fire), library, recreation, public improvements, building, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Charter Township of Oxford and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations and so data from these units is combined with data of the primary government. All component units of the Charter Township of Oxford are blended component units and as such, all their financial data has been combined with the data of the primary government in these financial statements. Each component unit has a December 31 year end.

B. Joint Ventures

North Oakland Transportation Authority

The Authority provides transportation services for the following six entities, the Charter Township of Oxford, the Charter Township of Orion, the Township of Addison, the Village of Lake Orion, the Village of Leonard and the Village of Oxford. The Authority's board consists of nine members of which the Charter Township of Oxford appoints two. For the fiscal year ended December 31, 2007, the Charter Township of Oxford provided \$67,527 to the Authority. The North Oakland Transportation Authority is not considered a part of the reporting entity of the Charter Township of Oxford. Separate financial statements of the joint venture may be obtained at North Oakland Transportation Authority, 720 James Hunt Dr., PO Box 96, Oxford, Michigan 48371.

Oxford Public Fire & EMS Commission

The Oxford Public Fire and EMS Commission provided fire and emergency medical service to the Charter Township of Oxford and the Village of Oxford. The Commission's board consists of all board members of the Township and all council members of the Village. The Township of Oxford and the Village of Oxford are currently in the process of dissolving the Oxford Public Fire and EMS Commission (OPFEC). Effective January 1, 2006, the Township commenced operations of the fire and emergency services. Negotiations for the assets of the Commission are still in progress. The Oxford Public Fire and EMS Commission is not considered a part of the reporting entity of the Charter Township of Oxford. Separate financial statements of the joint venture may be obtained at Oxford Public Fire and EMS Commission, 96 S. Washington, PO Box 911, Oxford, Michigan 48371.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Governmental Funds

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Police Contracting, Parks and Recreation, Fire & EMS, Advanced Life Support, and Library Funds are special revenue funds supported by voted operating tax levies.

In addition, the Township reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes.

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital project fund accounts for the construction of the new township administrative building.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund type:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Township's enterprise funds are the Water and Sewer Funds, which are reported as major funds.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Proprietary Funds – Continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity by the Township or as an agent on behalf of others. Fiduciary funds include the following fund types:

Cemetery Trust Funds – The Cemetery Trust Fund Accounts for the accumulation of perpetual care revenues from cemetery lot sales. The revenues earned on these accumulations can be used to offset maintenance expenses.

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. State statutes and the Township's adopted investment policy authorize the Township to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of allowances for uncollectible accounts, which are recorded as follows:

	<u>Accounts Receivable Governmental</u>	<u>Accounts Receivable Enterprise</u>
Total	\$ 132,006	\$ 381,725
Less Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
Net Realizable Value	<u>\$ 132,006</u>	<u>\$ 381,725</u>

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects



CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Assets or Equity – Continued

3. Capital Assets – Continued

are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-25
Equipment	5-15
Infrastructure	15-50

4. Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. The total liability at December 31, 2007 is \$46,433.

5. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Assets, Liabilities and Net Assets or Equity – Continued

5. Long-term Obligations – Continued

portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

6. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$8,016,210 difference are as follows:

General Obligation Bonds and Contracts Payable	\$ 7,991,868
Compensated Absences Payable	<u>24,342</u>
	<u>\$ 8,016,210</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities – Continued

allocated over their estimated useful lives and reported as depreciation expense." The details of this \$553,669 difference are as follows:

Capital Outlay	\$ 71,247
Depreciation Expense	<u>(624,916)</u>
	<u>\$ (553,669)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$747,678 difference are as follows:

Principal Repayments	\$ 754,926
Increase in Compensated Absences	<u>(7,248)</u>
	<u>\$ 747,678</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Township is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:

- a. Budgets must be adopted for the General and Special Revenue Funds.
- b. Budgets must be balanced.
- c. Budgets must be amended as necessary.
- d. Public hearings must be held prior to adoption.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget appropriation prior to being incurred.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

A. Budgetary Information – Continued

The Township follows these procedures in establishing the budgetary data reflected in these financial statements:

1. In accordance with State law, prior to December 15, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis.
2. Public hearings are conducted in September and October to obtain taxpayer comment.
3. Prior to December 15, the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Proprietary Fund budgets are prepared on a non-GAAP method.
6. Budget appropriations lapse at year end.
7. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
8. Budgeted amounts are reported as originally adopted and as amended by the Township Board. The budget was amended during fiscal year 2006.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of December 31, 2007.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

B. Compliance with P.A. 621 of 1978 – Continued

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The following departments had excess of expenditures over appropriations:

<u>General Fund</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Excess of Expenditures Over Appropriations</u>
Insurance and Bonds	\$ 59,992	\$ 54,623	\$ 5,369
<u>Parks and Recreation Fund</u>			
Debt Service	61,758	50,800	10,958

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Township is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades.

The following information, as required by the Governmental Accounting Standards Board Statement Number 40, is presented regarding the Township's deposits and investments:

Custodial Credit Risk is the risk that in the event of a bank failure, the Township's deposits may not be recovered. Neither State law nor the Township's investment policy requires consideration of custodial credit risk. As of December 31, 2007, the Township's book balance of its deposits was \$19,841,853. The bank balance was \$20,758,909 which was exposed to custodial credit risk, as follows:

	<u>Bank Balance</u>
Insured by F.D.I.C.	\$ 320,281
Uninsured and Uncollateralized	<u>20,438,628</u>
Total	<u>\$ 20,758,909</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

A reconciliation of cash to the accompanying financial statements follows:

Statement of Net Assets:	
Cash and Cash Equivalents	\$ 14,586,440
Trust Funds	43,241
Agency Funds	<u>5,212,172</u>
Total	<u>\$ 19,841,853</u>

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices.

Interest Rate Risk. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township's deposits and investments consisted of the following:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Deposits and Investments:		
Savings and Checking Accounts	\$ 332,014	Demand
Money Market	\$ 16,283,654	Demand
Certificates of Deposit	\$ 4,143,241	211 Days

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices. As of year end, all deposits and investments consist of demand accounts, pooled investments, and certificates of deposit, all of which are not rated.

Concentration of Credit Risk. The Township's investment policy places no limit on the amount the Township may invest in any one issuer. The Township does not have more than 5% of its total investments in a single issuer.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not depreciated:				
Land	\$ 1,170,560	\$ -	\$ -	\$ 1,170,560
Capital Assets, being depreciated:				
Building and Land Improvements	12,137,006	8,854	-	12,145,860
Vehicles	2,125,177	27,188	-	2,152,365
Machinery and Equipment	1,371,183	35,205	-	1,406,388
Infrastructure	140,780	-	-	140,780
	<u>15,774,146</u>	<u>71,247</u>	<u>-</u>	<u>15,845,393</u>
Less: Accumulated Depreciation:				
Building and Land Improvements	(2,275,376)	(293,634)	-	(2,569,010)
Vehicles	(670,449)	(150,566)	-	(821,015)
Machinery and Equipment	(733,336)	(171,331)	-	(904,667)
Infrastructure	(17,023)	(9,385)	-	(26,408)
	<u>(3,696,184)</u>	<u>(624,916)</u>	<u>-</u>	<u>(4,321,100)</u>
Governmental Activities				
Capital Assets, net	<u>\$ 13,248,522</u>	<u>\$ (553,669)</u>	<u>\$ -</u>	<u>\$ 12,694,853</u>

Depreciated expense was charged to functions programs of the primary government as follows:

General Government	\$ 82,130
Public Safety	316,265
Planning and Zoning	2,822
Public Works	4,813
Recreational Cultural	218,886
	<u>\$ 624,916</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 428,533	\$ -	\$ -	\$ 428,533
Capital Assets, being depreciated:				
Infrastructure	19,519,902	2,746,428	-	22,266,330
Less: Accumulated Depreciation:				
Infrastructure	<u>(5,088,338)</u>	<u>(279,928)</u>	<u>-</u>	<u>(5,368,266)</u>
Business-type Activities Capital Assets, net	<u>\$ 14,860,097</u>	<u>\$ 2,466,500</u>	<u>\$ -</u>	<u>\$ 17,326,597</u>

C. Interfund Receivables, Payables and Transfers

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Enterprise Fund	\$ 5,229
General Fund	Sewer Enterprise Fund	10,000
General Fund	Cable Fund	3,000
General Fund	Building Fund	1,717
General Fund	Safety Path Fund	52
General Fund	Police	30,000
Building Fund	General Fund	1,020
Water Fund	Building Fund	40
Trust & Agency	General Fund	8,811
		<u>\$ 59,869</u>
<u>Transfers In</u>	<u>Transfers Out</u>	
Road Fund	General Fund	\$ 30,000
Cemetery Maintenance Fund	General Fund	30,000
Safety Path Fund	General Fund	40,000
Building and Site Fund	General Fund	30,000
		<u>\$ 130,000</u>

Inter Fund A/R and A/P represent un-cleared balances at year end, arising in the normal course of business.

Transfers from the General Fund to the other funds represent budgeted amounts to augment special projects.



CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended December 31, 2007:

	Balance Jan 1, 2007	Additions	Reductions	Balance Dec 31, 2007	Due Within One Year
Governmental Activities:					
Installment Notes (Act 99)	\$ 171,794	\$ -	\$ 54,926	\$ 116,868	\$ 57,223
General Obligation Bonds	8,575,000	-	700,000	7,875,000	750,000
Compensated Absences	17,094	7,248	-	24,342	-
	<u>\$ 8,763,888</u>	<u>\$ 7,248</u>	<u>\$ 754,926</u>	<u>\$ 8,016,210</u>	<u>\$ 807,223</u>
Business Activities:					
General Obligation Bonds	<u>\$ 10,700,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 10,450,000</u>	<u>\$ 260,000</u>
	<u>\$ 10,700,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 10,450,000</u>	<u>\$ 260,000</u>

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2007:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Governmental Activities:				
Installment Notes (Act 99)	1	4.15%	2009	\$ 116,868
General Obligation Bonds	2	4.60%-5.10%	2016	7,875,000
				<u>\$ 7,991,868</u>
Business Activities:				
General Obligation Bonds	1	3.50%-4.50%	2030	<u>\$ 10,450,000</u>

The annual debt service requirements to maturity for debt outstanding as of December 31, 2007 is as follows:

Year Ended	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2008	\$ 807,223	\$ 363,610	\$ 260,000	\$ 438,320
2009	864,645	325,223	270,000	428,320
2010	860,000	283,851	285,000	419,770
2011	915,000	241,990	300,000	409,795
2012	975,000	196,955	315,000	398,545
2013-2017	3,570,000	298,875	1,805,000	1,795,660
2018-2022	-	-	2,280,000	1,395,032
2023-2027	-	-	2,865,000	860,362
2028-2032	-	-	2,070,000	189,000
	<u>\$ 7,991,868</u>	<u>\$ 1,710,504</u>	<u>\$ 10,450,000</u>	<u>\$ 6,334,804</u>

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS – Continued

E. Reserved Fund Balance

A detailed description of fund balance reservations and designations (for all governmental fund types) at December 31, 2007, is presented below:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Fund Balance</u>				
Reserved for:				
Capital Projects	\$ -	\$ -	\$ -	\$ 179,103
Debt Service	-	-	34,371	-
Total Reserved	-	-	34,371	179,103
Unreserved:				
Undesignated	1,597,797	3,712,557	-	-
Total Fund Balance	\$ <u>1,597,797</u>	\$ <u>3,712,557</u>	\$ <u>34,371</u>	\$ <u>179,103</u>

F. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levies for the Township are detailed below:

<u>Purpose</u>	<u>Authorization</u>	<u>Authorized Rate (Pre Rollback)*</u>	<u>Per \$1,000 State Equalized Value</u>	
			<u>Authorized Rate (Post Rollback)*</u>	<u>Rate Levied</u>
Operating	State Law	1.4100	.9536	.9500
Police Services	Voter Approved	3.2400	2.9152	2.9152
Library	Voter Approved	1.0000	.6764	.6764
Library	Voter Approved	.8500	.7218	.7218
Parks and Recreation	Voter Approved	.9645	.8538	.8538
Fire/EMS	Voter Approved	1.5000	1.5000	1.5000
ALS	Voter Approved	1.0000	1.0000	1.0000
Library Debt	Voter Approved	As Needed	-	.4100
Fire Debt	Voter Approved	As Needed	-	.8800

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

V. OTHER INFORMATION

A. Defined Benefit Plan – Fire Department

1. Plan Description

The Township contributes to the Michigan Municipal Employees' Retirement System (MMERS), which is an agent multiple employer retirement system that covers all full time fire and emergency medical employees of the Township. The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non duty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC). The most recent period for which actuarial data was available was for the actuarial valuation as of December 31, 2007.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 447 N. Canal St., Lansing, Michigan 48917-9755.

2. Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's personnel policy. The Township is required to contribute at an actuarially determined rate; the current rate was a percentage of annual compensation at December 31, 2005 was 28.33%.

3. Annual Pension Cost

During the fiscal year ended December 31, 2007, the Township's contributions totaling \$210,323 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2005. The employer contribution rate has been determined based on the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 30 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

V. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

3. Annual Pension Cost – Continued

assumptions used include a long-term investment yield rate of 8% and annual salary increases of 4.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

<u>Three Year Trend Information</u>				
Year Ended Dec. 31	Valuation Date Dec. 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2005	2003	\$ 58,185	100%	\$ -0-
2006	2004	62,086	100%	-0-
2007	2005	210,323	100%	-0-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
12/31/05	2,646,753	3,438,419	791,666	77 %	235,226	337 %
12/31/06	2,629,865	3,577,449	947,584	74	545,323	174
12/31/07	2,777,484	3,546,666	769,182	78	770,031	100

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2007, the latest actual valuation, follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases Includes inflation at 4.5%	4.50-12.90%
Cost of living adjustments	None

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

V. OTHER INFORMATION – Continued

A. Defined Benefit Plan – Fire Department – Continued

4. Defined Contribution Plans

The Township maintains three separate defined contribution pension plans for its elected officials and other qualified employees of the Township, Parks and Recreation, and Library. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees of the different plans are eligible to participate at varying dates of employment. The plans were established by Township ordinance, which may be revised by amendment of the ordinance. Additional information for each plan follows:

	<u>General</u>	<u>Parks and</u>	<u>Library</u>
	<u>Manulife</u>	<u>Recreation</u>	<u>Various</u>
Plan Administrator	Manulife	Manulife	Various
Vesting	Immediate	Immediate	Immediate
Contribution Base	Base Compensation	Base Compensation	Base Compensation
Employer Contribution Rate	10-15%	15%	Discretionary
Employee Voluntary Contribution Rate	Up to 10%	Up to 10%	N/A
Numbered Participants	15	7	14
Employer Contribution	\$72,490	\$39,082	\$47,828
Employee Contribution	\$4,581	\$-0-	N/A

B. Risk Management

The Township is a member of the Michigan Township Participating Plan for its property and casualty insurance coverage and maintains commercial insurance coverage for workers compensation, and accidental death, dismemberment and disability liabilities. The Township believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF OXFORD  
Notes to Financial Statements  
December 31, 2007

V. OTHER INFORMATION – Continued

C. Fire and Emergency Services

The Township of Oxford and the Village of Oxford are currently in the process of dissolving the Oxford Public Fire and EMS Commission (OPFEC). Effective January 1, 2006, the Township commenced operations of the fire and emergency services. Negotiations for the assets of the Commission are still in progress. The Township residents approved 2 new millages for a period of 5 years at the May 2005 election, 1.5 mills for Fire Protection and Emergency Medical Services and 1.0 mill for Advanced Life Support Services, beginning with the Winter 2005 tax roll.

D. Contingent Liabilities

1. Property Tax Appeals

The Township has various property tax assessment appeals pending. The Township attorney is unable to determine the probable results and therefore no adjustments have been reflected in the financial statements.

2. Debt Service

In 2005, the Township issued general obligation bonds through Oakland County in the amount of \$10,700,000 for water system improvements. A significant source of repayment of the bonds was expected to be generated from collection of capital charges and tap fee revenues commencing in fiscal year 2006 and continuing through fiscal year 2034. The Township does not expect revenues used in the repayment plan to occur in the short or near term, which raised some doubt about the Township's ability to meet future debt payments after approximately fiscal year 2009. The Township is currently developing a plan to mitigate any shortfalls in debt service payments.

REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF OXFORD**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes	\$ 782,500	\$ 801,440	\$ 801,572	\$ 132
Licenses and Permits	20,099	11,817	11,832	15
Intergovernmental - Federal/CDBG	33,000	33,000	24,562	(8,438)
Intergovernmental - State	819,200	889,740	889,030	(710)
Charges for Services	54,875	70,989	74,480	3,491
Interest	75,660	168,603	179,088	10,485
Other	34,411	24,020	23,664	(356)
Total Revenues	1,819,745	1,999,609	2,004,228	4,619
Expenditures:				
General Government:				
Township Board	47,000	44,518	46,230	(1,712)
Township Supervisor	110,541	108,591	105,895	2,696
Elections	46,000	24,408	6,603	17,805
Assessor	143,800	144,229	137,708	6,521
Professional Fees	179,500	129,880	85,709	44,171
Township Clerk	141,203	134,288	136,969	(2,681)
Board of Review	3,820	3,961	3,886	75
Township Treasurer	137,172	130,327	127,791	2,536
Township Hall Building	65,700	58,420	49,436	8,984
Veterans Building	56,446	91,066	70,830	20,236
Cemetery	46,610	54,164	46,812	7,352
Other	260,560	387,768	235,035	152,733
Total General Government	1,238,352	1,311,620	1,052,904	258,716
Planning and Zoning:				
Planning Commission	160,268	146,002	134,604	11,398
Board of Appeals	12,400	4,036	3,626	410
Total Planning and Zoning	172,668	150,038	138,230	11,808
Public Works:				
Highways and Streets	17,200	17,455	17,455	-
Street Lighting	8,700	8,760	8,644	116
Engineering	20,000	20,000	5,960	14,040
Total Public Works	45,900	46,215	32,059	14,156
Health and Welfare:				
Citizen Programs	33,000	33,000	33,009	(9)
Social Services	8,710	8,710	7,160	1,550
Total Health and Welfare	41,710	41,710	40,169	1,541
Other Functions:				
Fringe Benefits	195,350	227,064	223,709	3,355
Insurance and Bonds	66,765	54,623	59,992	(5,369)
Contributions	14,000	9,479	9,479	-
Total Other Functions	276,115	291,166	293,180	(2,014)
Total Expenditures	1,774,745	1,840,749	1,556,542	284,207

(continued)



**CHARTER TOWNSHIP OF OXFORD**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>			<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Excess (Deficiency) of Revenues Over Expenditures	\$ 45,000	\$ 158,860	\$ 447,686	\$ 288,826
Other Financing Uses: Operating Transfers Out	<u>(45,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>28,860</u>	317,686	\$ <u>288,826</u>
Fund Balance - January 1			<u>1,280,111</u>	
Fund Balance - December 31			\$ <u>1,597,797</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Police Contracting Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes	\$ 2,027,000	\$ 1,939,774	\$ 2,065,099	\$ 125,325
Intergovernmental-State	10,000	19,902	19,902	-
Charges for Services	4,250	2,810	5,376	2,566
Fines and Forfeitures	50,300	41,280	48,707	7,427
Interest	22,000	55,769	61,233	5,464
Total Revenues	2,113,550	2,059,535	2,200,317	140,782
Expenditures:				
Public Safety	2,113,550	2,059,535	1,932,229	127,306
Excess (Deficiency) of Revenue Over Expenditures	\$ -	\$ -	268,088	\$ 268,088
Fund Balance - January 1			253,950	
Fund Balance - December 31			\$ 522,038	

**CHARTER TOWNSHIP OF OXFORD**  
**Parks and Recreation Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes	\$ 718,200	\$ 718,200	\$ 715,483	\$ (2,717)
Intergovernmental-State	-	-	2,381	2,381
Charges for Services	564,965	564,965	537,602	(27,363)
Interest	8,000	8,000	26,782	18,782
Other	-	-	19,121	19,121
Total Revenues	<u>1,291,165</u>	<u>1,291,165</u>	<u>1,301,369</u>	<u>10,204</u>
Expenditures:				
Recreation	1,239,865	1,239,865	1,168,927	70,938
Debt Service:				
Principal	50,800	50,800	54,926	(4,126)
Interest and Fees	-	-	6,832	(6,832)
Capital Outlay	500	500	-	500
Total Expenditures	<u>1,291,165</u>	<u>1,291,165</u>	<u>1,230,685</u>	<u>60,480</u>
Excess (Deficiency) of Revenue				
Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	70,684	\$ <u>70,684</u>
Fund Balance - January 1			<u>232,154</u>	
Fund Balance - December 31			\$ <u>302,838</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Advanced Life Support Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes	\$ 771,804	\$ 837,707	\$ 838,548	\$ 841
Charges for Services	50,000	245,000	278,034	33,034
Interest	-	36,058	42,819	6,761
Other	-	2,059	2,314	255
Total Revenues	<u>821,804</u>	<u>1,120,824</u>	<u>1,161,715</u>	<u>40,891</u>
Expenditures:				
Public Safety:				
Advance Life Support	598,282	907,311	898,181	9,130
Capital Outlay	<u>223,522</u>	<u>213,513</u>	<u>27,188</u>	<u>186,325</u>
Total Expenditures	<u>821,804</u>	<u>1,120,824</u>	<u>925,369</u>	<u>195,455</u>
Excess (Deficiency) of Revenue Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	236,346	\$ <u>236,346</u>
Fund Balance - January 1			<u>530,229</u>	
Fund Balance - December 31			\$ <u>766,575</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Fire & EMS Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes	\$ 1,250,500	\$ 1,256,820	\$ 1,257,802	\$ 982
Intergovernmental-State	-	-	3,215	3,215
Charges for Services	2,100	1,850	1,679	(171)
Interest	22,000	29,000	32,238	3,238
Other	-	12,349	12,699	350
Total Revenues	<u>1,274,600</u>	<u>1,300,019</u>	<u>1,307,633</u>	<u>7,614</u>
Expenditures:				
Public Safety:				
Fire Contract	880,780	763,002	710,485	52,517
EMS	236,981	240,868	256,381	(15,513)
Capital Outlay	156,839	296,149	27,815	268,334
Total Expenditures	<u>1,274,600</u>	<u>1,300,019</u>	<u>994,681</u>	<u>305,338</u>
Excess (Deficiency) of Revenue				
Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	312,952	\$ <u>312,952</u>
Fund Balance - January 1			<u>55,926</u>	
Fund Balance - December 31			\$ <u>368,878</u>	

**CHARTER TOWNSHIP OF OXFORD**  
**Library Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes	\$ 1,167,348	\$ 1,167,348	\$ 1,171,738	\$ 4,390
Intergovernmental-State	17,506	17,506	16,566	(940)
Intergovernmental-Local	25,066	25,066	24,148	(918)
Fines	20,000	20,000	22,955	2,955
Interest	43,600	43,600	65,213	21,613
Other	16,000	16,000	17,467	1,467
Total Revenues	1,289,520	1,289,520	1,318,087	28,567
Expenditures:				
Operating	1,312,230	1,312,230	1,169,650	142,580
Net Change in Fund Balance	\$ <u>(22,710)</u>	\$ <u>(22,710)</u>	148,437	\$ <u>171,147</u>
Fund Balance - January 1			846,159	
Fund Balance - December 31			\$ <u>994,596</u>	

OTHER SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF OXFORD**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2007**

	Special Revenue	Debt Service	Capital Projects- Building & Site	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 711,142	\$ 34,371	\$ 189,843	\$ 935,356
Accounts Receivable	105,461	-	-	105,461
Due from Other Funds	1,020	-	-	1,020
Prepaid Expenditures	7,576	-	-	7,576
Total Assets	<u>\$ 825,199</u>	<u>\$ 34,371</u>	<u>\$ 189,843</u>	<u>\$ 1,049,413</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 5,757	\$ -	\$ 10,740	\$ 16,497
Accrued Liabilities	27,001	-	-	27,001
Due to Other Funds	34,809	-	-	34,809
Total Liabilities	<u>67,567</u>	<u>-</u>	<u>10,740</u>	<u>78,307</u>
Fund Balance:				
Reserved for :				
Capital Projects	-	-	179,103	179,103
Debt Service	-	34,371	-	34,371
Unreserved	757,632	-	-	757,632
Total Fund Balance	<u>757,632</u>	<u>34,371</u>	<u>179,103</u>	<u>971,106</u>
Total Liabilities and Fund Balance	<u>\$ 825,199</u>	<u>\$ 34,371</u>	<u>\$ 189,843</u>	<u>\$ 1,049,413</u>



**CHARTER TOWNSHIP OF OXFORD**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	Special Revenue	Debt Service	Capital Projects- Building & Site	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$ -	\$ 1,079,051	\$ -	\$ 1,079,051
Licenses and Permits	100,274	-	-	100,274
Intergovernmental	19,004	-	-	19,004
Charges for Services	9,600	-	-	9,600
Franchise Fees	183,524	-	-	183,524
Interest	27,673	12,956	8,416	49,045
Other	86,948	2,011	-	88,959
Total Revenues	<u>427,023</u>	<u>1,094,018</u>	<u>8,416</u>	<u>1,529,457</u>
<u>Expenditures:</u>				
General Government	2,235	-	-	2,235
Public Safety	272,728	-	-	272,728
Public Works	29,649	-	-	29,649
Other	178,334	-	-	178,334
Debt Service:				
Principal	-	700,000	-	700,000
Interest and Other Charges	-	392,705	-	392,705
Capital Outlay	7,390	-	8,854	16,244
Total Expenditures	<u>490,336</u>	<u>1,092,705</u>	<u>8,854</u>	<u>1,591,895</u>
Excess (Deficiency) of Revenues Over Expenditures	(63,313)	1,313	(438)	(62,438)
Other Financing Sources:				
Operating Transfers In	<u>100,000</u>	<u>-</u>	<u>30,000</u>	<u>130,000</u>
Net Change in Fund Balances	36,687	1,313	29,562	67,562
Fund Balances - January 1	<u>720,945</u>	<u>33,058</u>	<u>149,541</u>	<u>903,544</u>
Fund Balances - December 31	<u>\$ 757,632</u>	<u>\$ 34,371</u>	<u>\$ 179,103</u>	<u>\$ 971,106</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**December 31, 2007**

	<u>Building</u>	<u>Fire</u>	<u>Cable Television</u>	<u>Road</u>
<b><u>ASSETS</u></b>				
Cash	\$ 58,129	\$ 62,026	\$ 247,488	\$ 34,181
Accounts Receivable	77	13,669	91,715	-
Due from Other Funds	1,020	-	-	-
Prepaid Expenditures	<u>714</u>	<u>1,674</u>	<u>825</u>	<u>-</u>
Total Assets	\$ <u><u>59,940</u></u>	\$ <u><u>77,369</u></u>	\$ <u><u>340,028</u></u>	\$ <u><u>34,181</u></u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 3,346	\$ -	\$ 1,255	\$ -
Accrued Liabilities	19,856	-	7,145	-
Due to Other Funds	<u>1,757</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Total Liabilities	24,959	-	11,400	-
Fund Balance:				
Unreserved:				
Undesignated	<u>34,981</u>	<u>77,369</u>	<u>328,628</u>	<u>34,181</u>
Total Liabilities and Fund Balance	\$ <u><u>59,940</u></u>	\$ <u><u>77,369</u></u>	\$ <u><u>340,028</u></u>	\$ <u><u>34,181</u></u>

<u>Cemetery Maintenance</u>	<u>Police Narcotics</u>	<u>Safety Path</u>	<u>Police</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ 140,129	\$ 4,723	\$ 103,225	\$ 32,115	\$ 29,126	\$ 711,142
-	-	-	-	-	105,461
-	-	-	-	-	1,020
-	-	-	4,363	-	7,576
<u>140,129</u>	<u>4,723</u>	<u>103,225</u>	<u>36,478</u>	<u>29,126</u>	<u>825,199</u>

\$ -	\$ -	\$ 1,074	\$ -	\$ 82	\$ 5,757
-	-	-	-	-	27,001
-	-	52	30,000	-	34,809
-	-	1,126	30,000	82	67,567

<u>140,129</u>	<u>4,723</u>	<u>102,099</u>	<u>6,478</u>	<u>29,044</u>	<u>757,632</u>
<u>\$ 140,129</u>	<u>\$ 4,723</u>	<u>\$ 103,225</u>	<u>\$ 36,478</u>	<u>\$ 29,126</u>	<u>\$ 825,199</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2007**

	Building	Fire	Cable Television	Road
Revenues:				
Licenses and Permits	\$ 100,274	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-	-
Intergovernmental - Local	-	-	1,500	-
Charges for Services	-	-	9,600	-
Franchise Fees	-	-	183,524	-
Interest	3,134	3,106	12,463	1,320
Other	30	-	1,680	-
Total Revenues	<u>103,438</u>	<u>3,106</u>	<u>208,767</u>	<u>1,320</u>
Expenditures:				
Current:				
General Government	-	1,335	-	-
Public Safety	187,141	10,884	-	-
Public Works	-	-	-	29,649
Other	-	-	168,774	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>187,141</u>	<u>12,219</u>	<u>168,774</u>	<u>29,649</u>
Excess (Deficiency) of Revenues Over Expenditures	(83,703)	(9,113)	39,993	(28,329)
Other Financing Sources:				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(83,703)	(9,113)	39,993	1,671
Fund Balance - January 1	<u>118,684</u>	<u>86,482</u>	<u>288,635</u>	<u>32,510</u>
Fund Balance - December 31	<u>\$ 34,981</u>	<u>\$ 77,369</u>	<u>\$ 328,628</u>	<u>\$ 34,181</u>

<u>Cemetery Maintenance</u>	<u>Police Narcotics</u>	<u>Safety Path</u>	<u>Police</u>	<u>Telecom- munication</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,274
-	-	-	-	11,644	11,644
-	-	-	5,860	-	7,360
-	-	-	-	-	9,600
-	-	-	-	-	183,524
3,057	200	2,714	435	1,244	27,673
<u>40,390</u>	<u>-</u>	<u>15,203</u>	<u>29,645</u>	<u>-</u>	<u>86,948</u>
<u>43,447</u>	<u>200</u>	<u>17,917</u>	<u>35,940</u>	<u>12,888</u>	<u>427,023</u>
900	-	-	-	-	2,235
-	-	20,619	54,084	-	272,728
-	-	-	-	-	29,649
-	-	-	-	9,560	178,334
-	-	-	-	7,390	7,390
<u>900</u>	<u>-</u>	<u>20,619</u>	<u>54,084</u>	<u>16,950</u>	<u>490,336</u>
42,547	200	(2,702)	(18,144)	(4,062)	(63,313)
<u>30,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
72,547	200	37,298	(18,144)	(4,062)	36,687
<u>67,582</u>	<u>4,523</u>	<u>64,801</u>	<u>24,622</u>	<u>33,106</u>	<u>720,945</u>
\$ <u><u>140,129</u></u>	\$ <u><u>4,723</u></u>	\$ <u><u>102,099</u></u>	\$ <u><u>6,478</u></u>	\$ <u><u>29,044</u></u>	\$ <u><u>757,632</u></u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Debt Service Funds**  
**Combining Balance Sheet**  
**December 31, 2007**

	<u>Library Debt</u>	<u>Fire Debt</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ <u>18,029</u>	\$ <u>16,342</u>	\$ <u>34,371</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Deferred Revenue	\$ -	\$ -	\$ -
Fund Balance:			
Reserved for Debt Service	<u>18,029</u>	<u>16,342</u>	<u>34,371</u>
Total Liabilities and Fund Balance	\$ <u>18,029</u>	\$ <u>16,342</u>	\$ <u>34,371</u>

**CHARTER TOWNSHIP OF OXFORD**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2007**

	<u>Library Debt</u>	<u>Fire Debt</u>	<u>Total</u>
Revenues:			
Property Taxes	\$ 342,966	\$ 736,085	\$ 1,079,051
Interest	4,543	8,413	12,956
Other	1,996	15	2,011
Total Revenues	<u>349,505</u>	<u>744,513</u>	<u>1,094,018</u>
Expenditures:			
Principal	210,000	490,000	700,000
Interest and Fees	139,425	253,280	392,705
Total Expenditures	<u>349,425</u>	<u>743,280</u>	<u>1,092,705</u>
Excess (Deficiency) of Revenues Over Expenditures	80	1,233	1,313
Fund Balance - January 1	<u>17,949</u>	<u>15,109</u>	<u>33,058</u>
Fund Balance - December 31	\$ <u><u>18,029</u></u>	\$ <u><u>16,342</u></u>	\$ <u><u>34,371</u></u>

# POST, SMYTHE, LUTZ and ZIEL

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*Certified Public Accountants*

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June 20, 2008

Board of Trustees  
Charter Township of Oxford  
Oakland County, Michigan

In planning and performing our audit of the financial statements of the Charter Township of Oxford as of and for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and/or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

The volume and complexity of the Township's accounting records, especially the year end closing process, continues to be a significant amount of work, which requires numerous journal entries to the Township's general ledger at year end as part of the audit process. We recommend that more timely reconciliations be made, which may reduce the year end work or consider whether additional accounting staff may be necessary.



This communication is intended solely for the information and use of management and the Board of Trustees of the Charter Township of Oxford and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Post Smythe Lutz and Ziel of Plymouth".

Post, Smythe, Lutz and Ziel of Plymouth LLP  
Certified Public Accountants